

25th & E STREETS, N.W.  
WASHINGTON 25, D.C.

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Auth. O. N. S. M.  
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SUBJECT: Progress Report

4 February 1946

TO: Director, SSU

THRU: Chief, Operational Auxiliaries *RES.*

### 1. Liquidation:

a. In accordance with the original OSS liquidation directive to the effect that excess war time facilities be disposed of, all SSU transmission facilities in Europe were disbanded prior to November 1st, personnel redeployed, and equipment turned over to the U.S. Signal Corps. Consequently, all SSU traffic within Europe and between Europe and the United States and other theaters, was shifted to the networks of the U.S. Army, to commercial networks, and facilities operated by other governments.

The SSU cryptographic systems were, however, maintained, so that with a few exceptions all SSU traffic is still being handled in SSU ciphers.

b. In the Far East, all major SSU transmission installations were liquidated and only a skeleton network left operative through SEAC and in China, as no other transmission facilities for handling of such SSU traffic were available. In SEAC net controls at Singapore were taken over by the Signal Corps while the tributary stations are still being operated by SSU. SSU cryptographic systems remained unchanged regardless of carrier.

c. In the Continental United States, even prior to October 1, the communications training and holding areas at Manassas were abandoned, including all experimental radio installations both in Virginia and in Naperville, Illinois.

d. Communications personnel was reduced from an over-all total of 1499 on September 1st 1945 to 358 on January 31, 1946.

## 2. Transition:

a. The decision to continue a communications system to serve SSU/OASW necessitated the curtailment of liquidation measures in certain areas as, otherwise, even the skeleton system in existence as of November 1st would have ceased to function as an operating entity. Appropriate

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steps were taken to freeze personnel until replacements could be made available and, in step with the general demobilization program, adequate civilian replacements were recruited. It was possible to retain a large number of our best key personnel who had proven their superior performance in overseas theaters.

b. Later it developed that the SSU skeleton radio systems left in the Far East were not only to be maintained but also were to be expanded. Therefore, it became necessary to retain some quantities of basic equipment for the support of such installations, as well as facilities to store, maintain, test, and ship such equipment. Unfortunately, by that time, liquidation had progressed to a point where some major items were already disposed of and taken over by the RFC. This readjustment in liquidation policy was required for the further reason that it became more and more evident that the over-all and progressive deterioration of communications in Europe, as a consequence of drastic reductions in U.S. Signal Corps installations and personnel, will necessitate, within the near future, the re-establishment of SSU transmission facilities in certain areas on a small scale. This is based on the assumption that SSU individuals and missions in Europe will continue to require communications service from this organization.

### 3. Flow and processing of traffic:

a. The volume of traffic as shown in attached Chart A has not decreased, but has maintained itself, both in the over-all SSU system and in the Washington Message Center, at an even level.

b. The processing of traffic, particularly in Washington, was and will continue to be adversely affected by the fact that SSU traffic is handled by carriers whose facilities are not only handicapped by shortage of personnel but also by the use of inexperienced replacements. In fact, the communications systems of the Federal Government carrying SSU traffic as a part of their over-all traffic, have reverted to routine "peace-time" operating principles, which principles are governed by economy in personnel and funds rather than by efficiency and security. Furthermore, in this post-hostilities phase, intelligence traffic as such is not recognized as having any precedence over any other traffic and therefore is subject to all the delays, insecurities, and general slowing-down of official U.S. peace-time communications. The messages, while enciphered in SSU systems and processed by SSU Message Centers, are therefore in the majority of instances extremely garbled by poor transmission and sloppy terminal handling, which results in substantial delays in the code rooms.

c. The over-all signal security supervision of SSU messages and handling procedures has been very considerably tightened up, and both cryptographic and traffic security of systems under our jurisdiction can be considered to be considerably above that of other systems in operation.

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d. Diagram showing existing circuits is attached and marked  
Enclosure B.

4. Current activities:

a. Personnel and equipment for the expansion of facilities in North China are ready and standing by for transportation.

b. In close collaboration with SI and X-2, considerable efforts are being made to improve the handling of cover traffic through State Department and similar channels.

c. In the field of engineering and maintenance, we are concentrating both on improving our present equipment which is to replace the somewhat obsolete conglomeration of left-over facilities now being used in China, as well as continuing to develop the new type of clandestine facilities, on which we have well passed the one-third mark. It is anticipated that by July, the first units can be put at the disposal of SI and X-2 for use in Europe and the Near East. If any emergency arises prior to that date, it is contemplated to use modified versions of the latest models of clandestine equipment used during the last phase of hostilities, a sufficient quantity of which equipment has been retained. Generally speaking, however, all clandestine equipment used during the hostilities phase must be considered obsolete.

d. Apart from routine administrative difficulties which, being by-products of a post-hostilities era, must be taken in stride, the only serious handicap is a complete lack of any U.S. field installations for the purpose of testing both standard equipment and newly designed equipment. Previously, large radio areas at Manassas, Naperville, and in northern Michigan were maintained for such purposes. On the other hand, within the immediate future, some sort of arrangement for an experimental laboratory not less than 400 miles from Washington will become an absolute requirement. In order to avoid the establishment of an installation requiring messing, housing, guards, and similar liabilities, considered impractical at this time, we are discretely canvassing the Physics Departments of various colleges with which we have maintained relations for several years, as some modus operandi may advantageously be worked out with one of the larger institutions which will serve our purposes in an economical and feasible fashion.

*Peter G. S. Mero.*  
PETER G. S. MERO

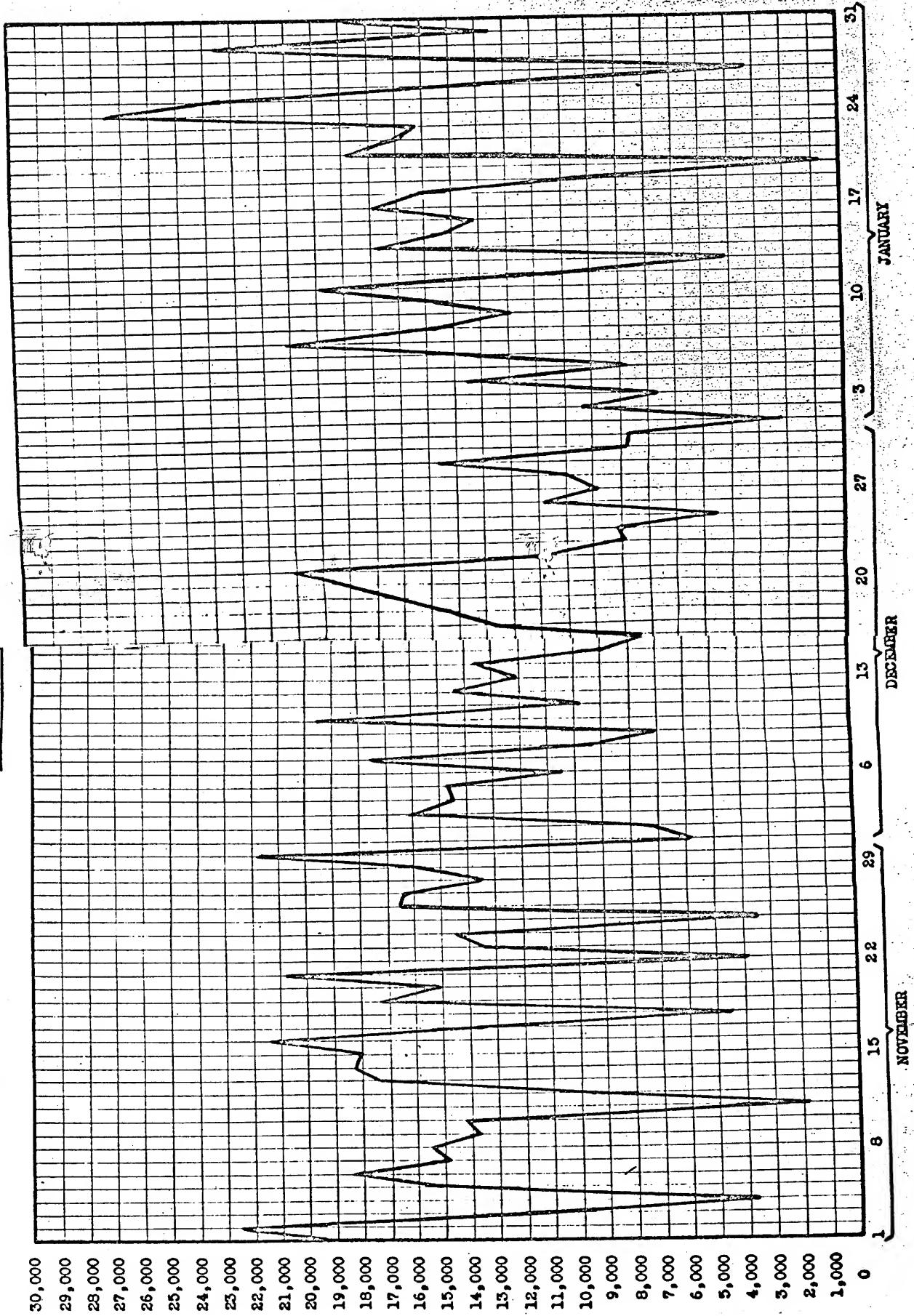
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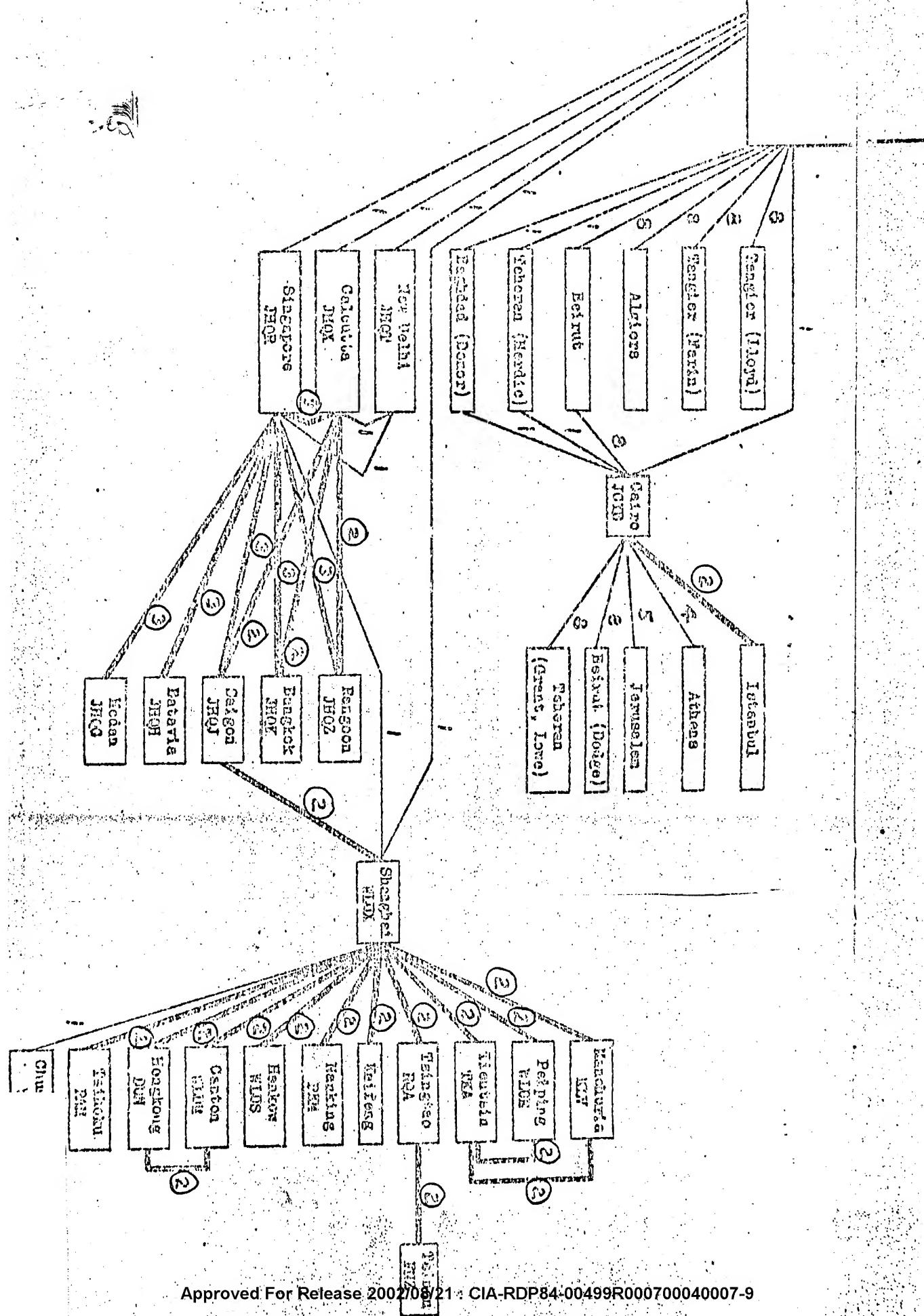
- A. Traffic Volume Chart
- B. Circuit Diagram

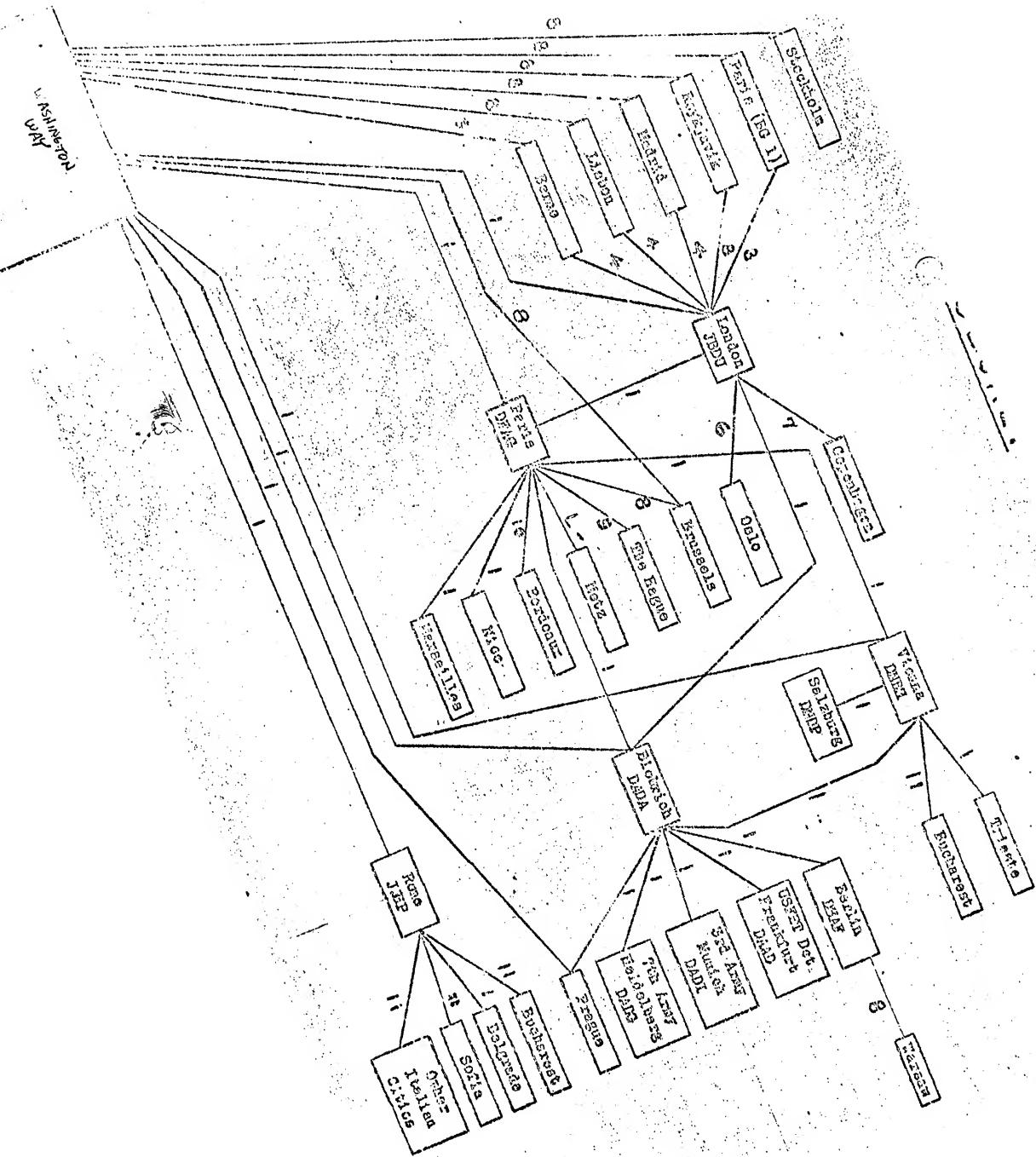
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WASHINGTON MESSAGE CENTER TRAFFIC VOLUME

NOVEMBER 1945 - JANUARY 1946







WAR DEPARTMENT - OFFICE OF THE ASST. SECY OF WAR - STRATEGIC SERVICES UNIT  
COMMUNICATIONS DIVISION

**SSU CIRCUITS**

Circuits as Designated  
SSU Radio Circuit

KEY TO CIRCUIT NUMBERS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11

in Field Station

25X1A

by Signals

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